

JUDGMENT INTEREST RATE

2005 GENERAL SESSION

STATE OF UTAH

Sponsor: Scott K. Jenkins

LONG TITLE**General Description:**

This bill changes the method for determining the interest rate for civil and criminal judgments.

Highlighted Provisions:

This bill:

► provides that, unless agreed upon in contract, a judgment bears interest at the greater of:

- federal postjudgment interest rate as of January 1 of each year, plus 2%; or
- 10% per annum; and

► makes technical changes.

Monies Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:**AMENDS:**

15-1-4, as last amended by Chapter 149, Laws of Utah 2000

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **15-1-4** is amended to read:

15-1-4. Interest on judgments.



(1) As used in this section, "federal postjudgment interest rate" means the interest rate established for the federal court system under 28 U.S.C. Sec. 1961, as amended.

(2) Any judgment rendered on a lawful contract shall:

(a) conform to the contract; and ~~shall~~

(b) bear the interest agreed upon by the parties, which shall be specified in the judgment.

(3) (a) Except as otherwise provided by law, ~~other~~ civil and criminal judgments not described in Subsection (2) of the district court and justice court shall bear interest at the greater of:

(i) the federal postjudgment interest rate as of January 1 of each year, plus 2%~~[-];~~ or

(ii) 10% per annum.

(b) The postjudgment interest rate in effect at the time of the judgment shall remain the interest rate for the duration of the judgment.

(c) The interest on a criminal ~~judgments~~ judgment shall be calculated on the total amount of the judgment.

(d) Interest paid on state revenue shall be deposited in accordance with Section 63A-8-301.

(e) Interest paid on revenue to a county or municipality shall be paid to the general fund of the county or municipality.

Legislative Review Note
as of 1-10-05 11:33 AM

Based on a limited legal review, this legislation has not been determined to have a high probability of being held unconstitutional.

Office of Legislative Research and General Counsel